

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
NORTH MCLEAN COUNTY WATER)	CASE NO. 97-507
DISTRICT)	

O R D E R

On December 15, 1997, North McLean County Water District ("North McLean") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. North McLean purchases water from the City of Calhoun ("Calhoun"), the City of Livermore, and West Daviess County Water District.
2. Effective December 10, 1997, Calhoun increased its rates for wholesale water from \$1.63 per 1,000 gallons to \$1.76 per 1,000 gallons.
3. North McLean proposed to increase the rates to its customers effective December 10, 1997.
4. During the 12 months ending August 31, 1997, North McLean purchased a total of 97,844,800 gallons of water and sold 87,197,800. North McLean purchased 54,433,100 gallons of the total from Calhoun.

5. North McLean's calculations are correct and show an increase in purchased water cost of \$7,076.30, resulting in a purchased water adjustment of \$0.08 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of North McLean's customers would increase \$0.40 from \$21.95 to \$22.35 or 1.8 percent.

6. The purchased water adjustment of \$0.08 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.08 per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after December 10, 1997.

2. North McLean's proposed tariff is approved.

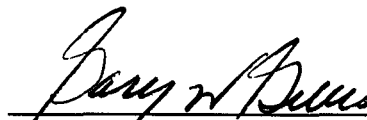
3. Within 30 days of the date of this Order, North McLean shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 14th day of January, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-507 DATED JANUARY 14, 1998

The following rates and charges are prescribed for the customers in the area served by North McLean County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

First	2,000	gallons	\$10.86 Minimum Bill
Next	8,000	gallons	3.83 per 1,000 gallons
Next	30,000	gallons	3.75 per 1,000 gallons
All Over	40,000	gallons	3.59 per 1,000 gallons